

The aftermath of the Brexit vote – the verdict from a derided expert

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John Van Reenen was disappointed but not surprised by the UK's vote to Leave the EU. Whilst [his own research](#) predicts serious economic and political damage in the case of Brexit, he thought a Leave vote was a real possibility ever since David Cameron committed to a vote in 2013. In his last post as Director of LSE's [Centre for Economic Performance](#), he gives his verdict on the campaigns, the media, politicians, and being a derided expert.



There are multiple reasons for the Brexit vote, but by far the most important one can be summarised in a single word: *immigration*. In the last few weeks before the vote, the Leave campaign was ruthless in focusing on our fears of foreigners. Sadly, with the exception of London, this has been shown time and time again to be a great vote winner all over the world.

The British people have suffered tremendously since the financial crisis. The real wages of the average person [fell by about 10](#) per cent between 2007 and 2015. This is not about inequality – poor, middle and rich have all lost out. It has been the longest sustained fall in average pay since the Great Depression and it has made people very angry with the establishment – and rightly so. As LSE's Professor Stephen Machin, the new Director of the Centre for Economic Performance has shown, the areas with the biggest falls in average wages were the places [most likely to vote for Brexit](#).

These wage falls and poor job prospects have [nothing to do with immigration](#) and everything to do with [the financial crisis and slow recovery](#). But because immigration tripled since 2004, lots of people know of a friend or family member going for a job and a European migrant getting it. So it is easy to point a finger at foreigners as the cause of labour market problems. This is the 'lump of labour fallacy' in action – the false idea that there is only a fixed number of jobs to go around.

We have also been living through a period of sustained austerity with public services under severe pressure. People often find it hard to get a place in a good school for their kids or a doctor's appointment. Since immigrants are also using public services, it is tempting to blame them for being ahead in the queue. Again, this is completely wrong as [immigrants pay more in taxes than they take out in welfare](#), so they are on net *subsidising* public services for the UK-born. The fact that the government has chosen to use the fiscal benefits from immigration to pay down the budget deficit is hardly the fault of immigrants. But it is difficult for people to see this benefit. What *is* visible is competition for constrained public services, just like competition for jobs.

The stigmatisation of foreigners as a cause of our economic problems plays to [deeply-based cultural fears](#). This is not simply bigotry, although some of it is. The anti-immigrant feeling would be there even if wages hadn't fallen and public spending hadn't been suffering years of austerity. But these real pressures helped lend credibility to the complaints. After all, what else is immigration but globalisation made flesh?

The media

Most of the British press has been [unrelentingly Eurosceptic](#) and anti-immigrant for decades. This built to a crescendo during the Brexit campaign with the most popular dailies like the *Sun*, *Mail* and *Express* little more than the propaganda arm of the Leave campaign.

The main alternative source of information for ordinary people was the BBC, which was particularly awful throughout the referendum debate. It supinely reported the breath-taking lies of the Leave campaign in particularly over the

'£350 million a week EU budget contribution'. Rather than confront Leave campaigners and call the claim untruthful, BBC broadcasters would say things like 'now this is a contested figure, but let's move on'. This [created the impression](#) that there was just some disagreement between the sides, whereas it was clearly a lie. It's like saying 'One side says that world is flat, but this is contested by Remain who say it is round. We'll let you decide.' The public broadcaster failed a basic duty of care to the British people. There was a need to tell people the truth for probably the most important vote any of us will have in our lifetimes. And the BBC failed.

The BBC also failed to reflect the consensus view of the economics profession on the harm of Brexit. A huge survey of British economists showed that for every one respondent who thought there would be economic benefits from Brexit over the next five years, [there were 22 who thought we would be worse off](#). Yet time and again, there would always be some maverick Leave economist given equal airtime to anyone articulating the standard arguments.

The Economics profession

There is much hand-wringing by economists over the role of the profession in the Brexit debate. It would certainly be a great thing if more academic economists [were involved in talking to the public](#). Basic fallacies like thinking there is a fixed number of jobs, so immigration (and population growth for that matter) must be bad for unemployment are rampant. So more public engagement would certainly help. More support must be given to colleagues who help spread the economic news as there is a clear cost in time spent on public engagement versus time spent on other academic activities – research, teaching and admin.

Improving economic literacy cannot be solely accomplished by academics. This is an issue of basic skills that needs to be tackled in schools. As importantly, it needs to be addressed in the media where most journalists also seem painfully ignorant of basic economics.

But in the Brexit campaign, I doubt more effort by economists would have made any difference to the result. The economic consensus was clear. I directed the Centre for Economic Performance and no one could have tried any harder than we did to [get the message out](#). This included being on TV and radio, blogging, travelling all over the country to give talks from Sunderland to Shropshire and [even being livestreamed on Facebook](#) with Grime Rapper, Big Narstie.

The problem was [the press generally attacked](#) or ignored us and the broadcasters gave equal weight to the small band of [pro-Brexit economists](#). And of course, even when the message was presented clearly, many people would not listen or believe it. The usual clichés about not predicting the financial crisis were dutifully rolled out. As if the medical profession's failure to predict the AIDS epidemic means that you should ignore your doctor's advice to give up smoking. No, we cannot predict the date you will die of lung cancer, but if you smoke we can be pretty sure your health will suffer.

It should not be surprising that economics did not carry more weight in the vote. Academic economists receive relatively little attention in the media and have [never been held in particularly high regard](#). And when the media does give space, it rarely uses academics preferring to rely on City economists and think-tankers, despite the fact that polls suggest that academics are [more trusted](#) than all other groups except friends and family.

Politicians

The basis for increasing populism all around the world is economic insecurity caused primarily by the worst recession and recovery since the war. But some blame must also be apportioned to the UK's current crop of politicians, who are surely the worst in living memory. David Cameron called an unnecessary referendum in order to steal some votes back from the far right. It was obviously going to become a vote on general grievances to kick the establishment, rather than about EU membership.

The [weakness of Labour leader Jeremy Corbyn](#) has precipitated a civil war that seems likely to end in his party's disintegration.

The depths to which Leave politicians and their cronies stooped during the campaign deserve a special mention though for helping to destroy any semblance of rational discussion. Lies over the £350 million a week sent to the EU [and the UK's veto over Turkey](#) becoming an EU member were repeated *ad nauseum*. I never thought I would experience such an Orwellian nightmare in my country. These lies, which were not robustly challenged in the media, cannot be punished in another general election and indeed, they have been rewarded by plum positions in the new government. And it worked: people ended up believing them.

For me, the nadir came a few days before the vote when one of Leave's leaders, Michael Gove the Justice Secretary, [compared me and my colleagues to paid Nazi scientists](#) persecuting Einstein. This was apparently in response to a statement we signed (including 12 Nobel laureates) [warning of the economic damage from Brexit](#). At least one of these derided experts had grandparents murdered in the concentration camps, so one can imagine how Gove's statement – supported by Boris Johnson – made them feel.

Although this is a particularly nauseating episode, it simply capped off a frankly disgusting campaign, one where the Leave side simply impugned the motives of 'the experts' rather than seriously engaging with the substance of the economic debate.

The coming flood?

There are many other notable features of the Brexit vote – including the fact that Remain had a voting majority for those under 50 years of age and also in London, Scotland and Northern Ireland. It is shocking that a constitutional rupture can be made based on 37 per cent of the eligible voters. We take decades debating and prevaricating on major infrastructure projects like Heathrow and Hinkley Point, yet are prepared to gamble with something even more important for our futures on a simple one-off in-out referendum.

The referendum was won on a drumbeat of anti-foreigner sentiment. It's the same tune being played by demagogues in every corner of the globe. It's the same tune that was played in the 1930s. It's the same old beat that rises in volume when people are afraid. In the UK, it's echoed by a rabidly right-wing press and unchallenged by a flaccid establishment media. Mixed by a band of unscrupulous liars and political zealots, it has become a tsunami of bile that has downed and drowned a once great nation. The only question is which other countries will now be swept along in this poisonous flood.

About the Author

John Van Reenen has been the Director of the Centre of Economic Performance and a Professor of Economics at LSE since 2003. He is moving this month to be a tenured Professor at the Massachusetts Institute for Technology (MIT) jointly in the Department of Economics and the Sloan School of Management. His most recent publications are a book on the [long-term economic effects of Brexit](#), on [innovation and climate change](#) and on [productivity and trade](#).



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